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FOR IMMEDIATE RELEASE:

**FORMER UNION OFFICIAL SENTENCED FOR
EMBEZZLEMENT OF UNION FUNDS**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that DARVIN COLLINS, 54, of Mount Vernon, Indiana, was sentenced to 10 months imprisonment today by U.S. District Judge Richard L. Young following his guilty plea to two counts of embezzlement of labor organization funds. This case was the result of an investigation by the Department of Labor Office of Labor-Management Standards and the Federal Bureau of Investigation.

COLLINS pleaded guilty to the two charges in court today immediately before sentencing commenced. According to facts presented in court during the guilty plea, Darvin Collins served as Business Manager for the International Brotherhood of Electrical Workers,

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Local 16, from July of 1993 through June of 1999. As Business Manager, Collins was responsible for the day-to-day operations of the Local and was the only elected officer that served full time. Local 16, with offices in Evansville, has approximately 840 members and covers thirteen Indiana counties and one Illinois county.

In June of 1999, members paid \$22 per month in dues and construction electricians also paid a 4% working assessment of which 2% was deposited to the general fund and 2% was deposited to the target fund. Some members paid their dues personally. For others, the contractor deducted the dues from the member's pay and sent a check to the union. This is referred to as the "dues check-off" system. The target fund was established to "target" non-union jobs in the Local's jurisdiction and make them competitive for union workers. In essence, the Local seeks to close the wage gap between using union and non-union workers. Contractors submit a job proposal to the Local describing the job, the estimated man-hours, and the non-union competition. If awarded, once the job is finished, the Local will pay the contractor with monies from the target fund to close the wage gap for the job.

After Collins was defeated in the summer 1999 election, the new business manager visited with each of the contractors under the collective bargaining agreements. One of the newer contractors remarked that they preferred not to continue the practice of being overpaid with target funds and then giving cash back for the Local to make political contributions to circumvent campaign financing limits. This information precipitated the investigation.

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The investigation revealed that on three occasions between September 1998 and February 1999, officers of the contractor paid a total of \$25,370 in cash to Darvin Collins under the guise that the monies would be used by Collins for political contributions and to circumvent the limits on political contributions by unions. The money was delivered directly to Collins in cash. The investigation also revealed corresponding large cash deposits to Collins' personal bank account following each payment. The investigation did not substantiate any political contributions being made by Collins for the union's benefit with these monies.

During the review of Collins' financial records, an investigator discovered that a "dues check-off" check in the amount of \$1,434.50 also was deposited to Collins' personal account. The payor company was interviewed and related that they are a non-union contractor but had a contract to perform work on a southern Indiana casino. The company was instructed that they would have to pay working assessments to Local 16 while in the local's jurisdiction. The company was instructed to make the check payable to Collins. Given that this was a limited, non-recurring job, Local 16 had no union record of this company performing work in the Local 16 jurisdiction.

According to Assistant United States Attorney Todd S. Shellenbarger, who prosecuted the case for the government, Judge Young also imposed 2 years supervised release following COLLINS' release from imprisonment. COLLINS paid \$26,804 in restitution to Local 16 immediately after the sentencing hearing this morning.

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